

Consultations on Changes to Trademark Opposition Practice and Fees

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The Canadian Intellectual Property Office (CIPO) recently published two “pre-consultations,” dealing with fees (www.ic.gc.ca/eic/site/cipointernet-internetopic.nsf/eng/wr02572.html), and with Regulations that impact opposition proceedings (www.ic.gc.ca/eic/site/cipointernet-internetopic.nsf/eng/wr02519.html). The comment term has now closed for both, and further action from CIPO is expected shortly.

Proposed fee changes

The fee review paper was open-ended, and requested comments on a fee structure that is designed to ensure “established” service standards, spread expenses out over each stage of processing, take into account international norms, improve efficiency, and encourage complete applications and use of online filing. This wording suggests that CIPO is considering changing the current structure of payment of fees on filing, registration and renewal, to perhaps incorporate fees for examination, advertisement or to pay a maintenance fee before the formal renewal deadline. In addition, while there is currently a fee incentive to file an application electronically, CIPO may be thinking about other online fee incentives.

Canada’s filing fees are currently amongst the lowest in the world, particularly since Canada does not use the classification system. Accordingly, there is a single filing, registration and renewal fee regardless of the number of wares/services. CIPO needs to focus on a fee structure that ensures quality examination, improves access to online information (such as application files and correspondence), and a searchable database of opposition and non-use cancellation decisions. Furthermore, in the current economy, it is hoped that CIPO will avoid any fee increases that discourage trademark applications, particularly for Canadian small-medium enterprises.

Proposed changes relating to oppositions

The Pre-Consultation on Regulations relating to opposition proceedings suggested changes claimed to simplify and streamline opposition proceedings. However, caution should be taken to ensure that the changes do not take away fundamental rights of the parties, or shift a full review of evidence and argument away from the Opposition Board to the Federal Court on appeal, given that new evidence can be filed by both parties on appeal.

The main areas of proposed change are that:

1. Cross-examination would occur after both parties file evidence (and not after each party completes its evidence). This would bring opposition practice in line with Federal Court practice. In addition, any cross-examination would have to be completed within three months. Parties should have the right to easily file new evidence to address issues raised by cross-examination, a point not addressed in the proposal;
2. An opponent would no longer have the right to file reply evidence. CIPO estimates that reply evidence is filed in less than one percent of all cases. Eliminating the reply evidence stage would speed up opposition proceedings, but should only be done if parties are not fettered in filing relevant new evidence at any stage of the opposition; and
3. The opponent would first file its written argument, followed by the applicant. Currently, parties do not have access to the other’s argument until both are filed, or one

party indicates that it is not filing an argument. This proposal would permit the applicant's argument to more effectively respond to that of the opponent. It would be preferred, however, for opponents to also have the right to file a "rebuttal."

Overall, the changes are designed to speed up opposition proceedings, which currently often drag on for years. At the same time, the parties should have full opportunity to file evidence and cross-examine, taking into consideration the realities of time demands on businesses. If parties resort to "leave" requests for evidence or additional argument, the result may be longer, and not shorter, proceedings. Increased speed should not be an excuse to deny parties the opportunity to fully present their cases in a venue that is supposed to be more informal and less expensive than the Courts.

Additional miscellaneous changes are proposed to encourage more use of online filing, clarify service rules, and confirm responsibility and timing of filing of transcripts.

The deadline for comments on both pre-consultations has now ended. It is expected that more formal consultations will follow later in 2010.

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